

BEFORE THE FEDERAL ELECTION COMMISSION

SECRETARIAT

In the Matter of)

MUR 5695)

BOB ETHERIDGE)

2006 MAR 28 A 11:14
CASE CLOSURE UNDER THE
ENFORCEMENT PRIORITY SYSTEM**SENSITIVE**

GENERAL COUNSEL'S REPORT

Under the Enforcement Priority System, matters that are low-rated

are forwarded to the Commission with a recommendation for dismissal.¹ The

Commission has determined that pursuing low-rated matters compared to other higher rated matters on the Enforcement docket warrants the exercise of its prosecutorial discretion to dismiss these cases.

The Office of General Counsel scored MUR 5695 as a low-rated matter. In this case, the allegations concerned the alleged use of \$21,664 in campaign funds to pay a candidate's personal state and federal income taxes. The respondents denied the allegations and provided evidence supporting their contention that the expenditures were directly related to the campaign committee's federal and state income tax obligations for interest earned on campaign bank accounts, insurance for an event, and accounting services related to the campaign's payroll taxes.

Thus, in reviewing the merits of MUR 5695 in furtherance of the Commission's priorities and resources relative to other matters pending on the Enforcement docket, the

Office of General Counsel believes that the Commission should exercise its prosecutorial discretion and dismiss the matter. *See Heckler v. Chaney*, 470 U.S. 821 (1985).


RECOMMENDATION


The Office of General Counsel recommends that the Commission dismiss MUR 5695, close the file effective two weeks from the date of the Commission vote, and approve the appropriate letters. Closing the case as of this date will allow CELA and General Law and Advice the necessary time to prepare the closing letters and the case file for the public record.

James A. Kahl
Deputy General Counsel

3/28/06
Date

BY:


Gregory R. Baker
Special Counsel
Complaints Examination
& Legal Administration


Jeff S. Jordan
Supervisory Attorney
Complaints Examination
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Attachment:
Narrative in MUR 5695

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4 **MUR 5695**

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6 **Complainant:** Linda Shook
7

8 **Respondents:** Bob Etheridge For Congress Committee and
9 Andrea Bell, as Treasurer
10 Bob Etheridge
11

12 **Allegations:** The complainant alleges that Bob Etheridge used funds from his authorized
13 committee, the Bob Etheridge for Congress Committee, to pay personal federal and state
14 income taxes. The complaint includes disclosure reports showing 17 disbursements from
15 the campaign committee for payroll services, payroll taxes, federal income taxes, and
16 state income taxes. The disbursements occurred between February 26, 2001 through
17 March 2005, and totaled \$21,664.
18

19 **Responses:** The respondents replied claiming that the campaign funds were used to pay
20 legitimate federal and state income taxes for interest earned on campaign savings
21 accounts, insurance for events, and professional services rendered by the campaign
22 committee's certified public account.
23

24 **General Counsel Note:** The respondents provided receipts and other records supporting
25 the purpose for each disbursement at issue in the complaint.
26

27 **Date complaint filed:** December 14, 2005
28

29 **Response filed:** January 17, 2006

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